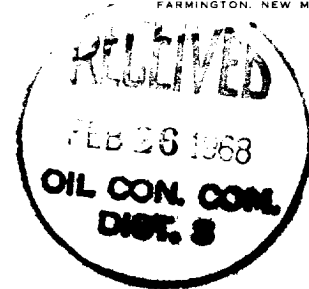


El Paso Natural Gas Company

El Paso, Texas 79999
February 23, 1968

ADDRESS REPLY TO
POST OFFICE BOX 990
FARMINGTON, NEW MEXICO 87401



Mr. A. L. Porter, Secretary & Director
New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico - 87501

Dear Mr. Porter:

This is a request for administrative approval for an unorthodox gas well location in the Basin Dakota Pool.

It is intended to locate this well, El Paso Natural Gas Company Ka-Des-Pah #2, 1550' from the north line and 450' from the west line of Sec. 18, T-26-N, R-8-W, N.M.P.M., San Juan County, New Mexico. The west half of Sec. 18 is dedicated to this well.

As shown on the attached plat the west half consists of 320.28 acres. Blanco Wash runs through the length of the entire west half of this section. There is a shallow channel but essentially the wash is wide and flat in this area, and due to the lack of sufficient surface relief to contain the intermittent water flows the channel often changes course, eroding roads and locations on land of approximately the same elevation as that of the wash.

An orthodox location could be built and drilled in the SW/4 of the section; however, costs of drilling and production would be high due to excessive road and location maintenance. A safety hazard to both personnel and to the mechanical life of well and production equipment would also be present if the well were located on the elevation of the wash.

El Paso holds the entire lease within the W/2 of Section 18; however, the proposed location falls within 790' of the lease of offset operator, Beta Development Co., Inc., Box 1659, Midland, Texas. Beta has been notified by registered mail on February 23, 1968, of El Paso's intention to build and drill this unorthodox location.

I am sending two copies of the intention to drill and two copies of the certified well location plat.

Yours very truly,

Original signed by
Carl E. Matthews
Carl E. Matthews,
Regional Petroleum Engineer

CEM:dgb

cc: Emery Arnold w/Attch.
Chuck Higgins w/Attch.
P. T. McGrath w/Attch.

COPY



Original signed by
Carl E. Matthews